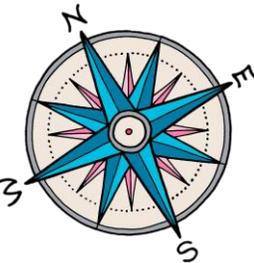


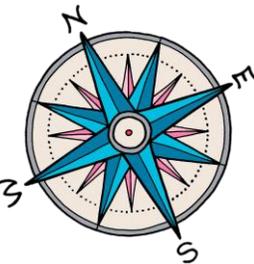
ne Procurement

ROADMAP FOR THE FIRST 12 MONTHS



Agenda

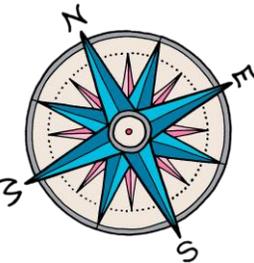
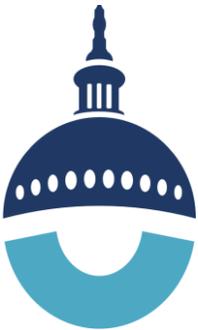
- 📍 Background
- 📍 Primary Goals
- 📍 Done To-Date
- 📍 Next 12 Months
- 📍 Wrap Up



What's "One Procurement"?

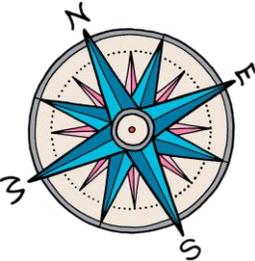
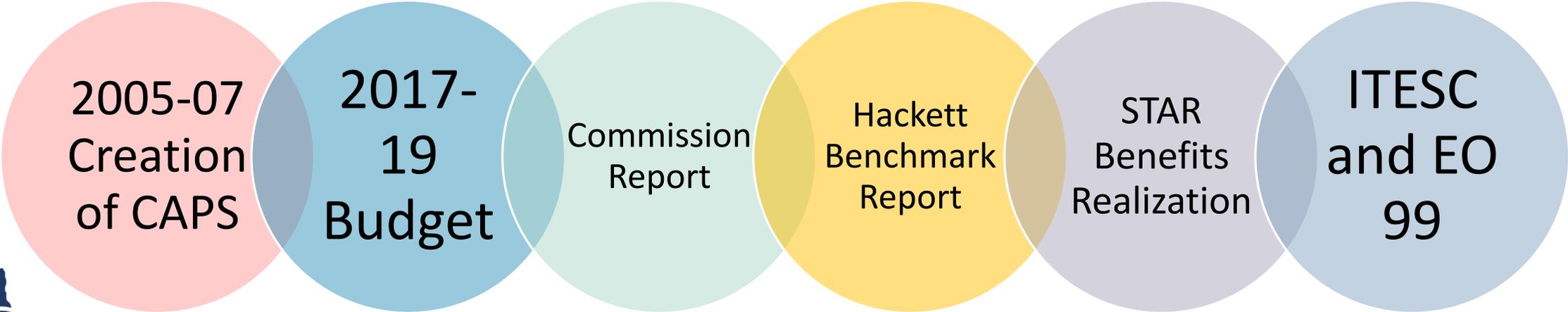
One Procurement is a long-term model and initiative intended to improve the procurement function across the enterprise to achieve savings, share resources and work better together

- Implement best practices across agencies
- Take advantage of new data from STAR to obtain savings
- Create administrative reform through delegation, collaboration



Background

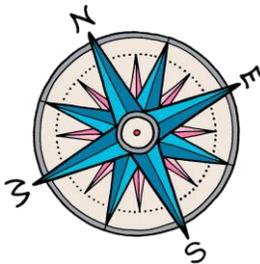
There are many drivers for this model:



Driver: Commission Report

- In December 2016, the Governor's Commission on Government Reform, Efficiency and Performance released a report with recommendations to improve state government enterprise services

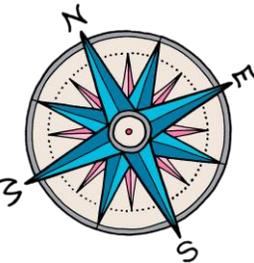
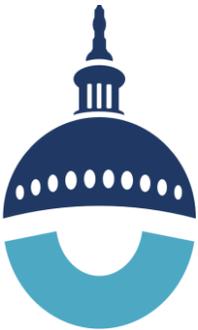
“Shared services is NOT a one-size-fits-all approach. The only way shared services produces an optimal result is when service providers are collaborating extensively with customers to ensure services are meeting business needs.” (p. 22)



Driver: Commission Report

- Related to the concept of shared services:

“The state initiate a shared services initiative based on the principles of saving money, delivering services more efficiently, and using data to drive decisions and pursue continuous improvement...Shared services would allow agencies to focus on their core missions by standardizing like processes and having them delivered in a coordinated way across the state government enterprise.” (p. 74)

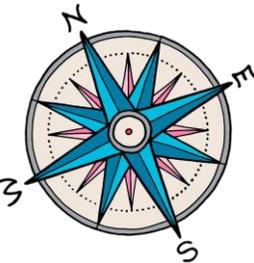


Driver: Original Creation of CAPS

- In 2006, as a result of the 2005-07 Biennial Budget, consolidation of purchasing services created a section of the Bureau of Procurement called CAPS (Consolidated Agency Purchasing Services)

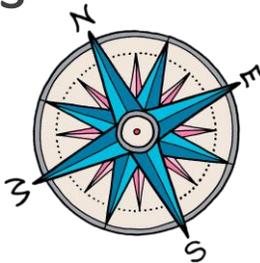
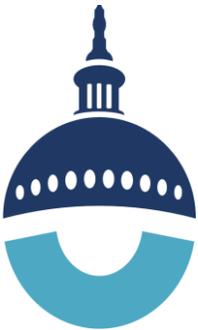


- This section currently support 24 agencies, boards and commissions with 8 staff, generating efficiencies and savings



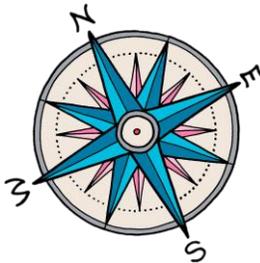
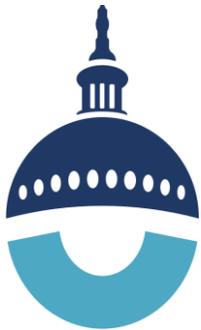
Driver: Biennial Budget

- The 2017-2019 Executive Budget Bill (Budget in Brief) provides:
 - “The Division of Enterprise Operations will be directed to identify procurement savings opportunities and enhance collaboration across executive branch agencies by administratively reforming state procurement delegation.”
 - In the summer of 2017, agency leadership was presented with a new initiative to improve the delivery of enterprise procurement services called One Procurement, constructed to comply with this directive



Driver: Biennial Budget

- Unlike the consolidation that occurred with CAPS, One Procurement goals and objectives will be achieved with:
 - Using current staff resources
 - No legal changes
- We are leveraging cooperation among existing staff under a center-led model



Driver: Hackett Benchmark Report

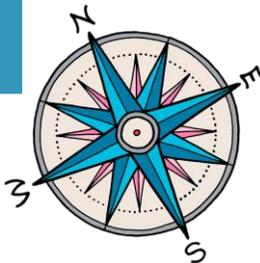
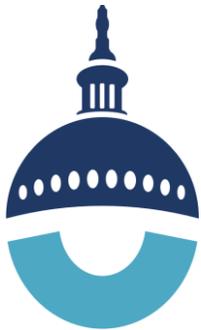
In spring 2017, state agency procurement offices participated in a broad operational benchmarking effort to study how we do business

Operations and Compliance

Sourcing/Supply Base Management

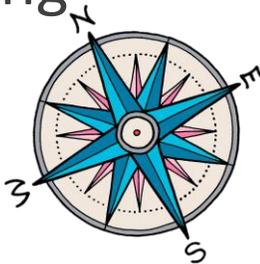
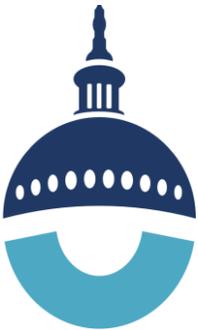
Planning/Strategy

Management and Administration



Driver: Hackett Benchmark Report

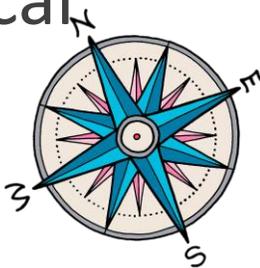
- Compared to similar state governments, private sector and “world class” entities
- **Main Strengths:**
 - Sourcing and spend management, ROI particularly in central office (DOA/CAPS)
 - Spend influence is strong compared to peer states
 - Procurement increasingly automated, high level of electronic processing
 - Procurement professionals generally well regarded by stakeholders



Driver: Hackett Benchmark Report

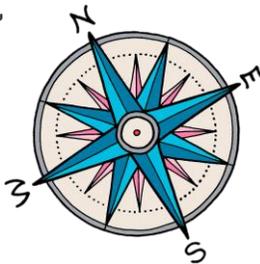
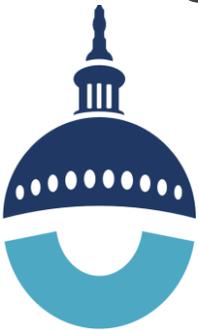
■ Main Challenges:

- High overall costs (compared to spend) supporting the function
- Higher costs, lower productivity driven by tactical operation costs (transactional work)
- Spend visibility and analytics not mature
- Stakeholders want more responsiveness, communication, local agency support



Driver: Benefits Realization Program

- In early 2017, DOA (on behalf of the enterprise) participated in a benefits realization study with consulting firm Accenture
- The study produced several recommendations for improvements state agencies could make, in part leveraging STAR, to produce savings
 - In procurement, the main opportunity is a renewed strategic sourcing initiative

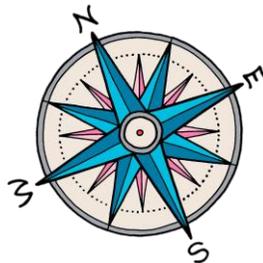


Driver: Benefits Realization Program

- Savings are projected to reach \$164.3M over 10 years across high potential goods/services categories

In Order of Projected Savings: High to Low

IT Services	Small Package
Telecommunications	Repair and Maintenance
Software	Cleaning
IT Infrastructure	Resources (Geological, Salt)
Printing Equipment	Industrial/MRO
Vehicles	And others (+)



Driver: Benefits Realization Program

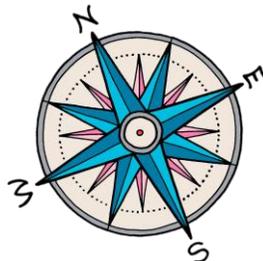
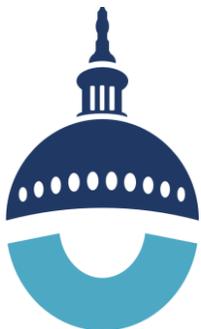
- Savings are expected to be achieved after a 3-year “ramp up” and a stabilized period of 7 years with static performance:

Projected Benefits



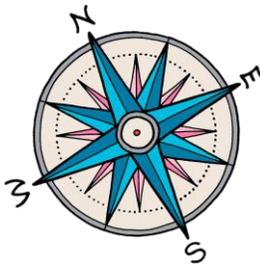
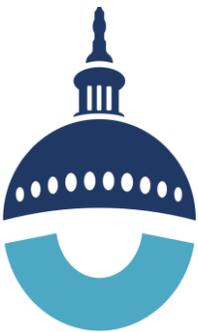
Level	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Total
Low	\$6,086	\$12,171	\$18,257	\$18,257	\$18,257	\$18,257	\$18,257	\$18,257	\$18,257	\$18,257	\$164,310

Figures in thousands of dollars



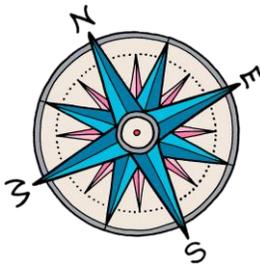
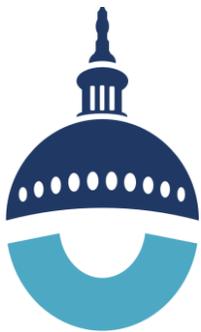
Driver: Benefits Realization Program

- Vast majority of categories impacted by the strategic sourcing initiative are managed centrally by DOA/SBOP through enterprise contracts, however:
 - Tail spend in these categories (off-contract) needs to be managed
 - Number of suppliers in these categories drives up overall costs
 - Better coordination and timing of like-needs across agencies can produce even more savings on state contracts
 - Contracts need to be promoted and easier to find so negotiated prices can benefit all



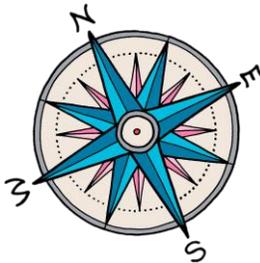
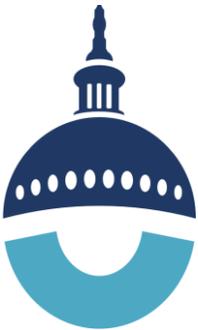
Driver: ITESC Goals, EO 99

- Executive Order #99 (EO 99) created the Information Technology Executive Steering Committee (ITESC) in 2013 “for the purpose of establishing enterprise IT and IT procurement strategies, policies, direction, and standards for State agencies”
 - EO 99 specifically charges the committee to “Provide oversight on enterprise IT procurement strategies and activities.”
 - SBOP will provide regular reporting to ITESC on IT procurement activities across member agencies with the goal of working smarter together on agency buys for IT and overall IT contract cost reduction



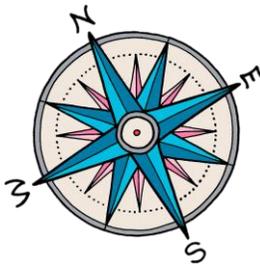
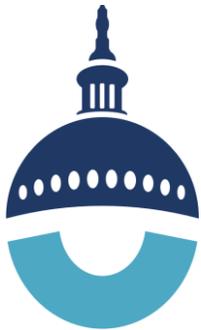
Time is Right

- In addition to recent studies, reports and directives, we have:
 - Refreshed data on many aspects of the efficiency and effectiveness of procurement operations
 - Targets for savings established for the enterprise as a part of the benefits realization project
 - Implemented electronic bidding through the STAR Wisconsin eSupplier Portal and Strategic Sourcing systems



Who's In?

- s. 16.71, Wis. Stats. provides that enterprise procurement authority will rest with DOA and authorizes DOA to delegate it further to other state agencies
 - Currently granted to 10 agencies
- We expect this initiative to positively benefit all agencies and campuses, however, only certain delegated agencies will be officially impacted by this model



Who's In?

One Procurement Agencies

Children and Families

Natural Resources

Health Services

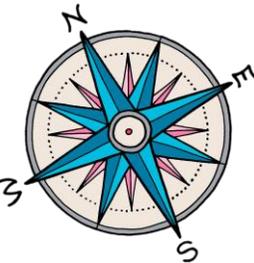
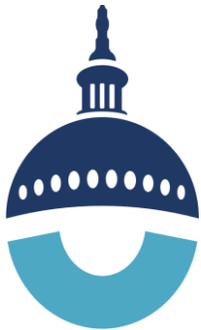
Corrections

Workforce Development

Employee Trust Funds

Transportation

Administration/CAPS (24 agencies/boards)



Primary Goals

- Through improving delegation and strengthening the relationships between DOA and One Procurement agencies, we intend to address goals in eight areas:



Strategic Sourcing



Policy/Audit



Systems



Professional Development



IT Procurement Management



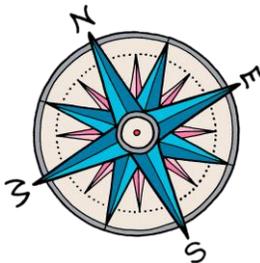
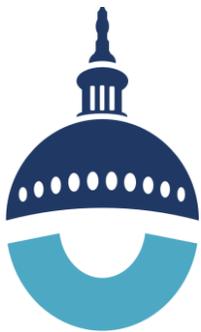
Collaboration



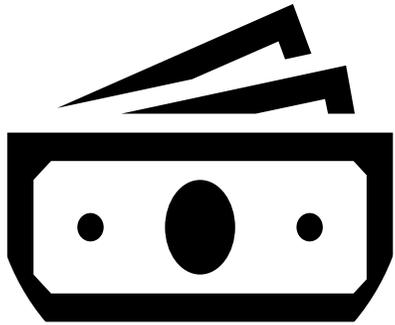
Operational Reform



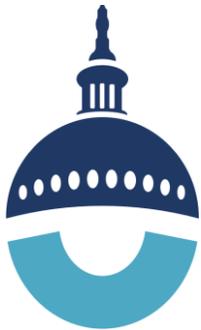
Resource Sharing



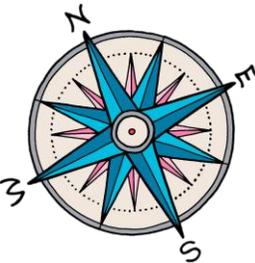
Primary Goals: Strategic Sourcing



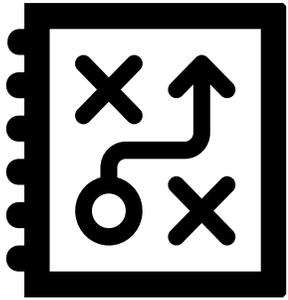
- Optimize savings on enterprise contracts and work with agencies to identify areas for new collaborative contracts (enterprise or agency-driven)
- SBOP staff will develop more formal sourcing plans for contracts that fall into one of the high potential goods/services categories



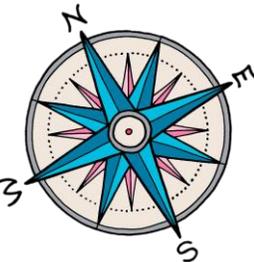
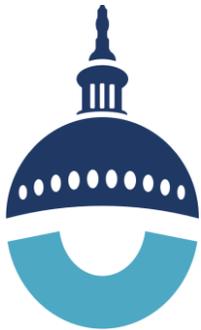
- Enterprise contracts in high-potential categories will be put on a project plan correlated with their end dates to create phases of strategically sourced contracting



Primary Goals: Operational Reform



- Enhance delegation agreements to clarify roles and responsibilities
 - Work with agencies that do not have formal delegation and are not CAPS-supported to provide them with the appropriate support
- Actively seek out areas of needed improvement in the procurement process to cut down time spent on non-value added activities
- Standardize process wherever possible to enhance the experience of suppliers dealing with different agencies



Primary Goals: Systems



- Enhance and support existing systems, look for new opportunities pursue full automation of the procurement process

rpa.wi.gov

VendorNet

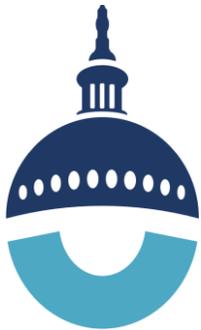
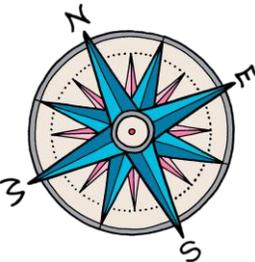
eSupplier

STAR

WISBUY

Potential:

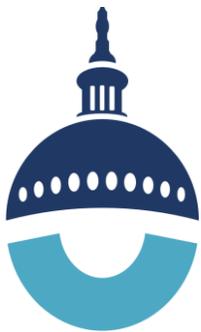
- OnBase
- Electronic Signature
- SCM



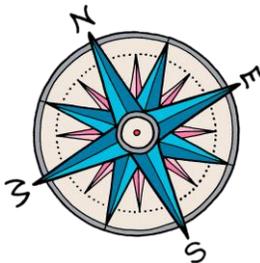
Primary Goals: Improve IT Procurement



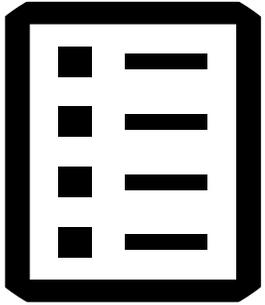
- Focus first strategic sourcing efforts on high-impact IT and telecom contracts
- Produce more tools and resources for agencies in managing IT contracts, reducing tail spend, and planning with enough time to combine purchases where possible



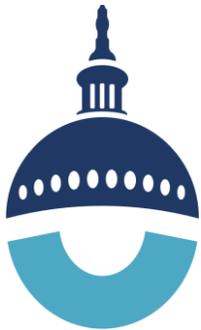
- Increase amount of consulting available from SBOP IT procurement staff for agencies with a specific need/large RFX



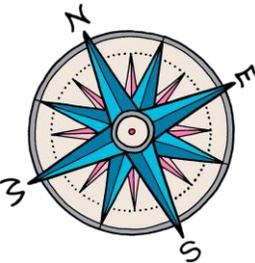
Primary Goals: Policy and Audit



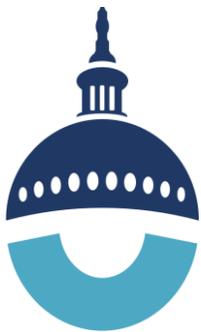
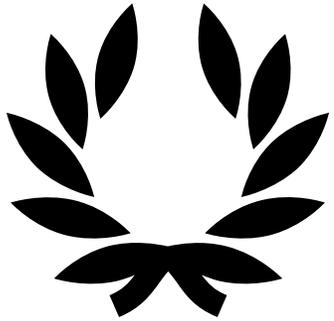
- Reform State Procurement Manual with the assistance of stakeholder feedback to update, incorporate best practices and remove irrelevant or outdated material
- Following delegation review and SPM reform, incorporate new policy and concepts into the management review (audit) process to ensure compliance



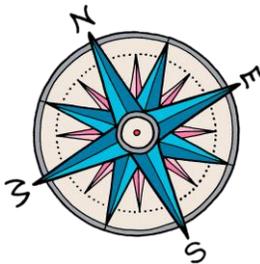
- Use business analytics tools to proactively address common areas of non-compliance or procurement performance (on/off-contract spending, spend with diverse suppliers, reducing errors/correction rate on purchase orders)



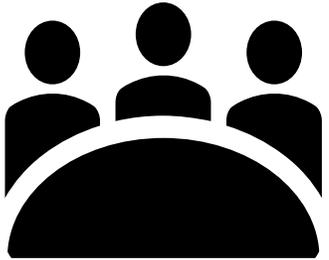
Primary Goals: Professional Development



- Procurement professionals will be encouraged to pursue certifications (UPPCC)
- SBOP will review its training program to ensure it provides a solid foundation of Wisconsin-specific procurement knowledge to new and returning staff
 - Classes will be reviewed to ensure in-class time is optimized and content that is more appropriate for on-demand/online courses is moved there
- SBOP will partner with agencies upon request to provide customized training or train-the-trainer opportunities



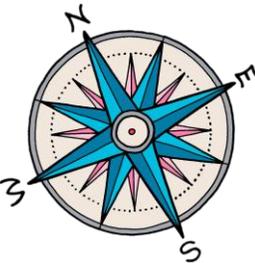
Primary Goals: Collaboration



- DOA will proactively reach out to One Procurement agencies on at least a quarterly basis to discuss their needs, operations, issues, concerns and goals
- Existing groups, primarily the Interagency Procurement Council (IPC) and the Procurement Advisory Council (PAC) and their designated staff will have access to a SharePoint site designed to encourage discussion, track important projects, and share information



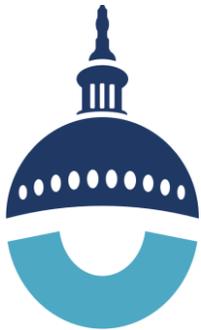
- Existing survey and reporting tools will be leveraged to solicit information and feedback that can be used to enhance collaboration



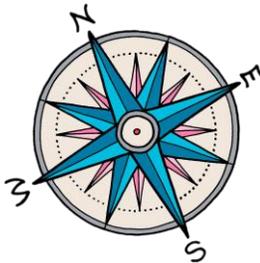
Primary Goals: Resource Sharing



- In order to work smarter together, DOA and One Procurement agencies will share best practices and proactively seek out opportunities to leverage innovative procurement tools
- Save time by improving procurement planning, increasing the chance of success in consolidated agency buys and bids

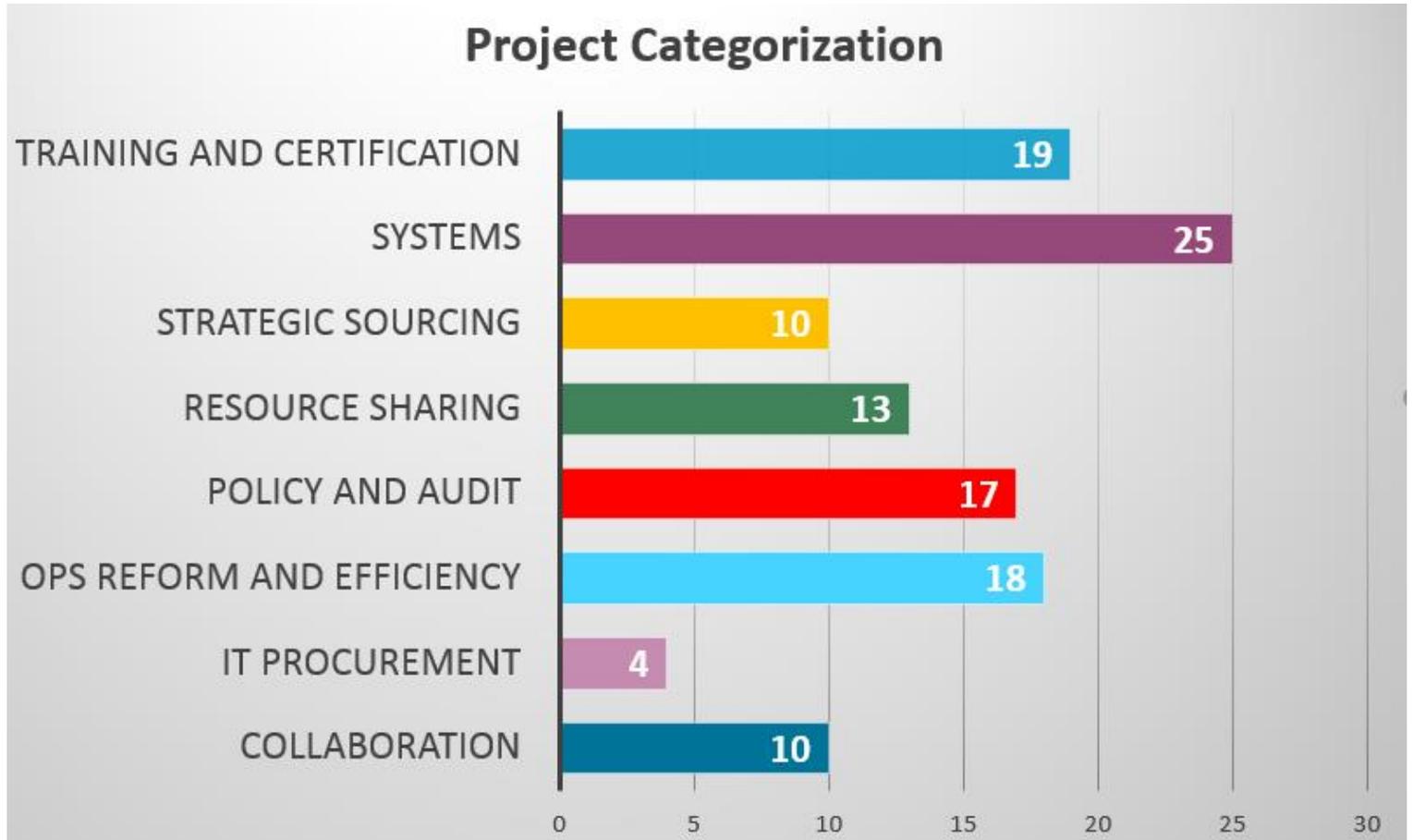
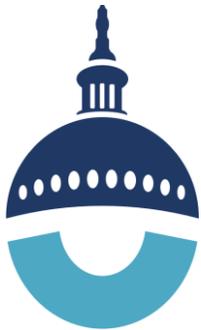


- Participate in a procurement mentorship program for new staff, offer temporary staff assistance to others upon request, and be actively engaged in cross-agency procurements



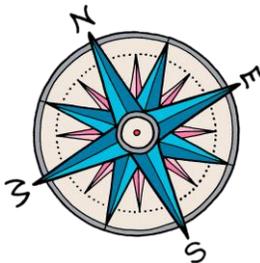
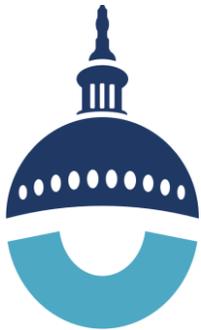
Done To-Date

- Kickoff meetings have been held with all agencies, 115+ new ideas, concepts and projects



Next 12 Months: Open Your Roadmaps!

- Projects have been reviewed and based on initial count, placed on the roadmap
 - Full list will be reviewed by One Procurement agencies in December to prioritize



Next 12 Months

Ops Reform

Delegation
Enhancement

Improve
Piggybacking

Resource Sharing

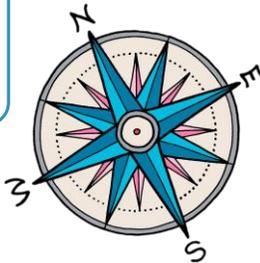
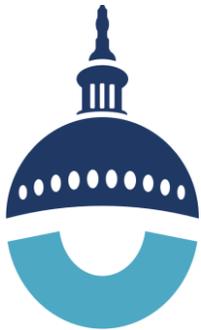
Consolidated
Agency Buys

IT Procurement
Consulting

Collaboration

One Procurement
SharePoint

SPM Policy
Reform



Next 12 Months

Strategic Sourcing

STAR Benefit
Realization Project Kick
Off

Survey for new
enterprise or shared
agency contracts

Systems

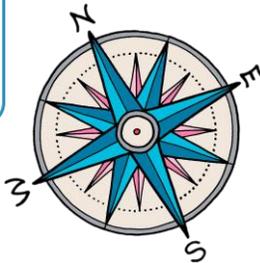
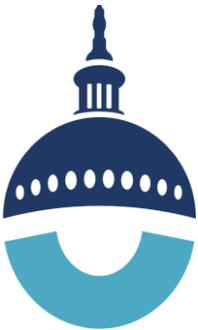
Explore enterprise
electronic signature
solution

Phase 1: Supplier
Contract
Management solution

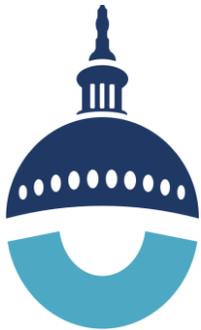
Professional Development

Share
NASPO/consortium
training resources
with the agencies

Move intro material
to online training,
reform RFP class



Next 12 Months: IT Procurement



1

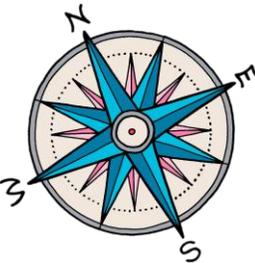
Vendor Management Program Pilot with DET

2

Enhance IT Contract Resources on VendorNet

3

Procurement Desk Guide: IT Edition



Wrap Up



Questions, please contact:

Sara Redford, Deputy Director
State Bureau of Procurement
sara.redford@Wisconsin.gov

